

Nueces County  
Quarterly Investment Report  
March 31, 2024  
(Unaudited)

*Prepared by Nueces County  
Auditor's Office  
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Corpus Christi TX  
78401*



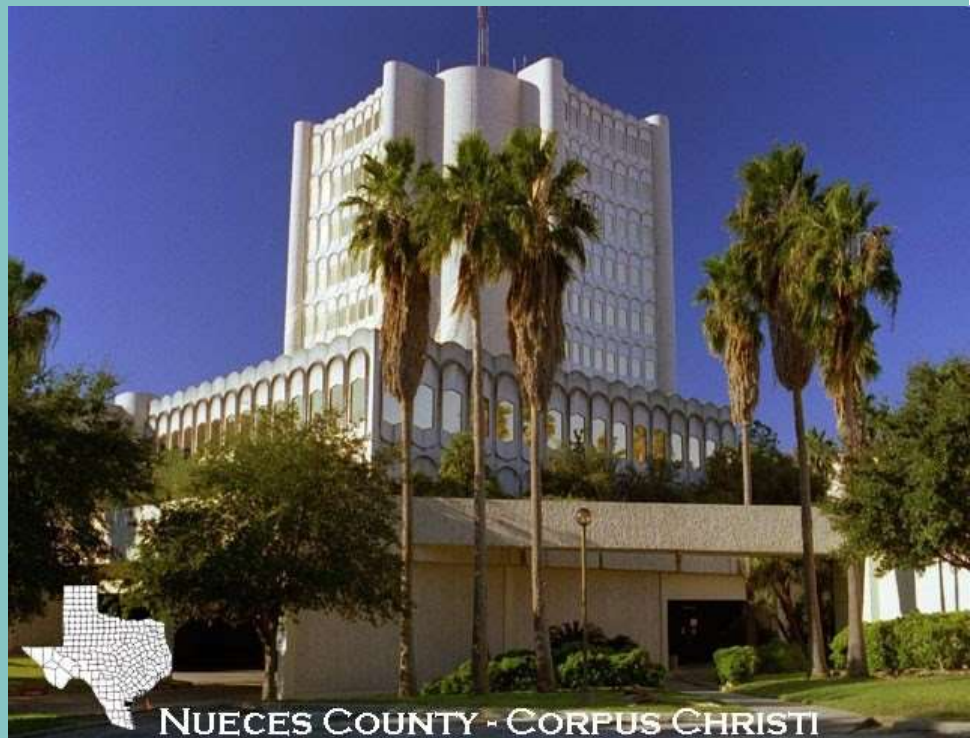
**Nueces  
County**

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Presented to Nueces County  
Commissioners Court in  
accordance with Government  
Code 2255.023

Investment Committee Members

Connie Scott – County Judge

Kara Sands – County Clerk

Jenny P. Dorsey – County Attorney

Kevin Kieschnick – Tax Assessor/Collector

Dale Atchley, CPA – County Auditor

Theresa C. McLemore – Commissioner Court Representative

County Investment Officers

Lorenzo Hernandez, III – Treasury Accountant

Lucio Cruz III – Revenue/Cash Manager

# Investment Report

As of March 31, 2024

Investments have been made in accordance with the requirements of the Nueces County Investment Policy and Government Code 2256. The investment committee is directed by the investment policy to meet certain requirements regarding investment strategy, earnings, diversity and liquidity. This report is presented in conformity with generally accepted accounting principles.

This report covers investment results on county-wide treasury accounts only. Interest income on departmental accounts such as the tax office, sheriff, and district clerk checking accounts are not included in this report.

## Summary of Cash, Cash Equivalents and Investments

Total cash, cash equivalents, and investments as of March 31, 2024, have a current value of \$217,744,574. As compared to last report of December 31, 2023, total balances have Increased by \$19,184,028 up from \$198,560,545.

## Compliance Measures

- The weighted average maturity of the operating portfolio is 65 days, and the county is in compliance with the investment policy. The policy limits the weighted average to 364 days. Compared to last report of December 31, 2023, the average maturity decreased by -4 days, due to the coming maturity of Eight CDs in the next Quarter.
- Portfolio diversity is a test which indicates the county is in compliance with the percentages allowed by the investment policy for each investment type. The largest investment type is in cash equivalents which is 96.10% and the remainder is invested in brokered CDs, municipal bonds, and US Treasury Notes which are 2.70%, 0.40%, and 0.80%, respectively.
- Cash and Cash Equivalents have exceeded the investment policy maximum of 90%. The interest rates for Texas Class are 5.47%, and the interest rates for the depository bank are 3.14%. With these rates still at the top of the liquid rates, it does not make fiscal sense to reduce liquidity by investing a lot of funds in mid- and long-term investments. All other investments are in compliance with the Public Investment Act and the Nueces County Investment Policy.

## Summary of Investment Results

Investment earnings are calculated under Government Accounting Standards Board (GASB) Statement #31. GASB #31 mandates that changes in the fair market value of investments longer than 1 year should be reported as revenues in the financial statements. Since our investment strategy has been to buy and hold until maturity, changes in market value are reflected as gains or losses in the value of the portfolios as if they had been liquidated on March 31, 2024. Brokered CD's, Treasury Notes, US agencies and Municipal bonds are being carried at market value.

Current quarterly earnings are \$2,295,142. Compared to the quarterly earnings ending December 31, 2023, earnings show a decrease of \$(76,214.) down from \$2,371,356. The decrease in earnings is due primarily to slow decrease in interest rates during this period and less interest received on our Investments.

## Investment Strategy

Only eligible investments, as defined by the Investment Policy may be used. Preservation and safety of principal is the number one consideration in selecting an investment instrument followed by the availability of funds (liquidity), diversification for further safeguarding of funds and laddering investments with varying maturity dates. While maximizing return on investment is an objective of the county investment policy, safety is always the first consideration in selecting investments.

This report has been prepared jointly by the County Auditor’s Office and the County Clerk Treasury Division and in accordance with Government Code 2256.023. The investment committee approved this report on 7/17/24 and herein presents to the Commissioners Court for final approval. Thank you.

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Connie Scott, County Judge  
Investment Committee Chair

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Dale Atchley, CPA  
County Auditor

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Lorenzo Hernandez, III - Chief Accountant

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Lucio Cruz, III - Revenue/Cash Manager



**Cash, Cash Equivalents and Investments**  
**2nd Quarter - January - March 2024**  
**(Unaudited)**

	Main Account		Coastal Parks		Capital Project Funds		Other - Payroll, Jury, ARP, Veterans Cemetery		Total	
Cash in Bank	\$81,236,470	71.5%	\$215,743	30.061%	\$7,109,788	16.39%	\$10,807,281	18%	\$99,369,282	45.64%
Cash Equivalents:							*ARPA			
Texas Class	\$28,600,368	25.2%	\$16	0.002%	\$35,853,722	82.65%	\$49,255,257	82%	\$113,709,364	52.22%
Investments:										
Brokered CDs	\$3,244,824	2.9%	0	0.000%	0	0.00%	0	0%	\$3,244,824	1.49%
Municipal Bonds	0	0.00%	\$501,915	69.936%	0	0.00%	0	0%	\$501,915	0.23%
Treasury Bills	\$500,189	0.4%	0	0.000%	\$419,000	0.97%	0	0%	\$919,189	0.42%
US Agencies	0	0.00%	0	0.000%	0	0.00%	0	0%	0	0.00%
Total Investments	\$3,745,013	3.3%	\$501,915	69.936%	\$419,000	0.97%	\$0	0%	\$4,665,928	2.14%
Total Cash, Cash Equivalents & Investments	\$113,581,851	100%	\$717,674	100%	\$43,382,510	100%	\$60,062,538	100%	\$217,744,574	100%

Interest Total	Main Account	Coastal Parks	Capital Project Funds	Other	Total
Frost Bank	\$598,310.84	\$1,397.43	\$53,442.54	\$65,703.50	\$718,854.31
Texas Class	\$388,158.96	\$0.13	\$486,600.60	\$668,483.21	\$1,543,242.90

CALCULATION OF WEIGHTED DAYS TO Maturity  
AS OF 03/31/24

Days to Maturity	Yield	Portfolio diversity
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		(A)			(B)			
		CUSIP	PAR	3/31/2024	Purchase Date	Maturity Date		
FR	Dallas Capital Bank CD	23455DL6	250,000.00	249,868	4/28/2023	4/26/2024	26	
FR	Fifth Third Bank CD	316777YL9	250,000.00	249,882	5/1/2023	4/30/2024	30	
FR	Goldman Sachs Bank USA CD	38150VGV5	250,000.00	249,875	5/3/2023	5/2/2024	32	
FR	Key Bank NA CD	49306SK54	250,000.00	249,878	4/28/2023	5/1/2024	31	
WF	BMO Harris BK NA CD	05600XPD6	250,000.00	249,860	5/3/2023	5/6/2024	36	
WF	Discover Bank CD	2546734J2	250,000.00	248,380	5/3/2023	5/4/2026	764	
WF	US Bank Natl Assoc CD	90354KBH0	250,000.00	249,875	5/3/2023	5/2/2024	32	
WF	wells fargo Bank NA CD	949764BM5	250,000.00	249,890	5/2/2023	5/1/2024	31	
RJ	B1Bank Baton Rouge LA CD	098079AGI	250,000.00	249,411	5/1/2023	10/28/2024	211	
RJ	Comerica BK Dallas TEX CD	200339FS3	250,000.00	249,474	5/4/2023	11/4/2024	218	
RJ	First National Bank Damariscotta ME CD	32117BFV5	250,000.00	249,514	5/12/2023	11/12/2024	226	
RJ	Manufactures & traders TR CO CD	564759SK5	250,000.00	249,897	5/1/2023	4/26/2024	26	
RJ	Popular BK New York BRH IN CD	73317ACB6	250,000.00	249,020	5/3/2023	5/1/2025	396	
<b>CD Total</b>		<b>3,250,000.00</b>	<b>3,244,824</b>				<b>158</b>	
							<b>4.912%</b>	
								<b>2.7%</b>

TREASURY BILLS		CUSIP	PAR	MKT	Purchase Date	Maturity Date		
	US Treasury N/B	91282CAB7	250,000.00	235,205	7/25/2023	7/31/2025	487	
	US Treasury Bonds	91282CCP4	250,000.00	228,525	7/25/2023	7/31/2026	852	
	US Treasury N/B	91282CCR0	250,000.00	217,939	7/25/2023	7/31/2028	1583	
	US Treasury N/B	91282CFB2	250,000.00	237,520	7/25/2023	7/31/2027	1217	
		<b>1,000,000.00</b>		<b>919,189</b>			<b>1026</b>	
							<b>1.17%</b>	
								<b>0.8%</b>

TexPool, Texas Class	Cash Equivalents		113,709,364				53	
	Cash Equivalents tot:	-	113,709,364.00				53	
							<b>5.47%</b>	
								<b>96.1%</b>

MUNICIPAL BONDS		CUSIP	PAR	MKT	Purchase Date	Maturity Date		
FTN	Washington Biomedical	93730PAM8	500,000.00	501,915	7/26/2023	7/1/2025	457	
<b>TTL MUNI</b>		<b>500,000.00</b>		<b>501,915.00</b>			<b>457</b>	
							<b>6.03%</b>	
<b>Grand TTL</b>		<b>4,750,000.00</b>		<b>118,375,293</b>			<b>65.15</b>	
							<b>5.41%</b>	
								<b>100%</b>

Prepared by I Cruz III

7/11/2024

**Investments Performance  
Compared to One-Year Treasury  
March 31, 2024  
(Unaudited)**

Quarter Ended	County Qtly. Avg Yield	Projected Annual County Yield	* 1yr Treasury
Dec-21	0.009%	0.035%	0.26%
Mar-22	0.056%	0.223%	1.63%
Jun-22	0.262%	1.046%	2.80%
Sep-22	1.292%	5.166%	4.05%
Dec-23	1.524%	6.097%	4.73%
Mar-23	1.076%	4.303%	4.64%
Jun-23	1.247%	4.987%	5.40%
Sep-23	1.379%	5.515%	5.46%
Dec-23	1.152%	4.610%	4.79%
Mar-24	1.128%	4.513%	5.03%

\*An average of the 3 months for the presented of the market yields on the 1-year Treasury Constant Maturity (CMT), quoted on investment basis.

Source: [www.Federalreserve.gov](http://www.Federalreserve.gov)

**Investments Performance  
Compared to Two-Year Treasury  
March 31, 2024  
(Unaudited)**

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
Dec-21	0.358%	0.300%
Mar-22	0.200%	2.280%
Jun-22	0.233%	2.920%
Sep-22	0.840%	4.220%
Dec-23	1.588%	4.410%
Mar-23	2.118%	4.060%
Jun-23	2.737%	4.870%
Sep-23	3.422%	5.030%
Dec-23	3.994%	4.230%
Mar-24	4.919%	4.590%

\*2-year treasury rates are adjusted to a 24 month Quarterly average yield. Twenty-Four month moving average based on the 2 year (CMT) that changes monthly.

Source: [www.Federalreserve.gov](http://www.Federalreserve.gov)

**Comparison of Interest Rates on Liquid Investments**

**March 31, 2024**

**(Unaudited)**

<u>Month</u>	<u>TexPool Average Monthly Rates</u>	<u>TexPool Prime Average Monthly Rates</u>	<u>Texas Class Average Monthly Rates</u>	<u>Depository (Note 1) Bank Rates</u>
December '21	0.0376%	0.0904%	0.07%	0.01%
January '22	0.0376%	0.0975%	0.10%	0.01%
February '22	0.0632%	0.1137%	0.12%	0.01%
March '22	0.1536%	0.2716%	0.49%	0.01%
April '22	0.3420%	0.4443%	0.52%	0.01%
May '22	0.6228%	0.8125%	0.92%	0.01%
June '22	1.0013%	1.2031%	1.48%	0.01%
July '22	1.5206%	1.6723%	2.02%	0.01%
August '22	2.1627%	2.3026%	2.38%	0.01%
September '22	2.4126%	2.6131%	3.14%	2.28%
October '22	2.9336%	3.2103%	3.34%	2.75%
November '22	3.6110%	3.9170%	4.02%	3.30%
December '22	3.9799%	4.2847%	4.52%	3.81%
January '23	4.2443%	4.5200%	4.61%	3.94%
February '23	4.4991%	4.7326%	4.79%	4.17%
March '23	4.6108%	4.8006%	5.01%	4.31%
April '23	4.7984%	4.9916%	5.07%	4.37%
May '23	5.0035%	5.2054%	5.24%	4.61%
June '23	5.0543%	5.3038%	5.30%	4.81%
July '23	5.1238%	5.3597%	5.44%	4.84%
August '23	5.3047%	5.5628%	5.49%	4.90%
September '23	5.3218%	5.5512%	5.54%	4.94%
October '23	5.3589%	5.5864%	5.55%	4.98%
November '23	5.3724%	5.6138%	5.58%	4.98%
December '23	5.3694%	5.5951%	5.57%	3.28%
January '24	5.3455%	5.5480%	5.54%	3.26%
February '24	5.3251%	5.5038%	5.48%	3.23%
March '24	5.3161%	5.4891%	5.47%	3.14%

Note 1: The Interest Rate Paid on demand deposits for the current month is based on the previous months weighted average of the 13-week T-bill auction rate less 35 Basis points.